



## **Section F: Building Teacher and Community Support for New Compensation Systems**

### **What effect does teacher involvement in the design and implementation of new forms of compensation have on program effectiveness?**

Teacher involvement is widely cited as a crucial component of successful compensation program design. However, teacher compensation systems are so new that research is sparse about the effect of teacher involvement in the design and implementation of these programs. The research that is available suggests that when teachers are involved in program design, it maximizes program effectiveness by increasing the likelihood of teacher and/or union approval, perception of fairness, and acceptance (Hatry, Greiner, & Ashford, 1994; Odden, Kelley, Heneman, & Milanowski, 2001; Milanowski, 2003). To the extent that teachers view the system as fair and its goals as attainable, they are more likely to support the system and thus contribute to its effectiveness (Odden et al., 2001). Milanowski (2003) notes that:

The motivation model suggests that teachers' views of the fairness of various aspects of the program and their acceptance of the model of good teaching implied by the knowledge and skills rewarded will influence their motivation to acquire the knowledge and skills. One way to promote the perceived fairness and acceptability of the system is to have teachers participate in its design.

Many lessons in the design and development of compensation pay plans come from the private sector. Research about personnel involvement in the management and work of private sector organizations supports claims that employee involvement will produce greater organizational effectiveness as measured by "higher quality products and services, less absenteeism, less turnover, better decision making, better problem solving, and less management overhead" (Denison, 1984, as cited in Mohrman, Lawler, & Mohrman, 1992). A number of studies show that companies that utilize an employee-involvement model demonstrate better economic performance than companies that do not; other studies show improvements in the quality of products and services and in productivity (Denison, 1990; Kravetz, 1988; Levine & Tyson, 1990, as cited in Mohrman, Lawler, & Mohrman, 1992; Mitchell, Lewin, & Lawler, 1990).

With respect to education, these lessons have been heeded by experts in the field and, as a result, teacher involvement frequently is recommended as a key component of teacher compensation system design (Milanowski, 2003; Odden & Kelley, 1997; Odden et al., 2001). Evidence suggests that districts do not uniformly involve teachers, however. A study of six U.S. school districts and one charter school that had implemented a form of knowledge and skills-based pay found that although all had involved teachers in the design process, larger districts did so on a broader scale with formal committee structures in place. Smaller districts, in contrast, designed

their programs with less teacher involvement (Milanowski, 2003). It is important to note that involving a select number of teachers to participate in program planning and design does not automatically ensure effective communication with other teachers who are not directly involved in the process. Outreach and communication to all teachers is equally important to the success of a new compensation system (Kellor, 2005).

As more teacher compensation systems are implemented, more data will emerge regarding the extent to which teacher involvement in these systems' design and implementation contributes to their effectiveness.

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*This synthesis of key research studies was written by:*

*Cynthia D. Prince, Vanderbilt University; Julia Koppich, Ph.D., J. Koppich and Associates; Tamara Morse Azar, Westat; Monica Bhatt, Learning Point Associates; and Peter J. Witham, Vanderbilt University.*

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